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# ***Public Utilities Commission of the State of California***

***Public Agenda 3085  
Thursday, April 4, 2002, 10 a.m.  
San Francisco, California***

**Commissioners**  
**Loretta M. Lynch, President**  
**Geoffrey F. Brown**  
**Henry M. Duque**  
**Michael R. Peevey**  
**Carl W. Wood**

*For each agenda item, a summary of the proposed action is included; the Commission's decision may, however, differ from that proposed.*

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## **Scheduled Commission Meetings 505 Van Ness Avenue, San Francisco**

<i>Ratesetting Deliberative Meeting*</i> Room 5305 (1:30 p.m.) <b><i>Closed to the Public</i></b>	<i>Commission Meeting</i> Auditorium (10 a.m.) <b><i>Open to the Public</i></b>
Wednesday, April 17, 2002 (San Francisco)	Thursday, April 04, 2002 (San Francisco)
Monday, April 29, 2002 (San Francisco)	Monday, April 22, 2002 (San Francisco)
Monday, May 13, 2002 (San Francisco)	Thursday, May 02, 2002 (San Francisco)
Monday, June 03, 2002 (San Francisco)	Thursday, May 16, 2002 (San Francisco)
	Thursday, June 06, 2002 (San Francisco)

*\*Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

### ***Matters of Public Interest***

***For the convenience of the public and media representatives, items of widespread public interest will be taken up at the beginning of the meeting.***

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## PUBLIC COMMENT

**The following items are not subject to public comment:**

- All items on the closed session agenda; these are HEX and EX items.
- CA-14

**Public Comment:**

## Consent Agenda

*Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.*

### Orders and Resolutions

#### **CA-1            Res TL-18997**

**371**            Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.

#### **CA-2            Res ALJ-176-3085**

**294**            Ratification of preliminary determinations of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.

#### **CA-3 (Rev.)    A99-05-002 - San Diego Gas & Electric Company (SDG&E).**

**295**            For authority to increase its gas and electric revenue requirements to reflect its accomplishments for Demand-Side Management Program Years 1994 and 1997, Energy Efficiency Program Year 1998, Low-Income Program Year 1998, and to address policy and procedural issues for future program Years 1999 through 2001 in the 1999 Annual Earnings Assessment Proceeding "AEAP".  
A99-05-005, A99-05-007, A99-05-008 – Related matters. – This decision grants in part the petition of SDG&E for modification of D00-09-038. While this decision grants SDG&E's request to conform D00-09-038 to the Commission's directions in D00-10-019 concerning the source of funding for utility performance incentives, the Commission does not adopt SDG&E's specific language changes to accomplish this objective. This decision clarifies that the performance incentives authorized in D00-09-038 for program year 1998 energy efficiency programs are to be funded out of Public Goods Charge Program Funding, consistent with Commission direction. The source of funding for all other performance incentives authorized in that decision remains unmodified.

(Comr Wood - ALJ Gottstein)

*Pub. Util. Code § 311 – This item was mailed for Public Comment*

03/27/2002 - This revision was not shown on the Agenda mailed to the public.

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117078](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117078)

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- CA-4**  
**296**      **R98-07-037 - California Public Utilities Commission**  
Order Instituting Rulemaking on the Commission's Proposed Policies and Programs Governing Energy Efficient, Low-Income Assistance, Renewable Energy and Research Development and Demonstration. This decision grants the petition for modification of D01-03-073 filed on December 7, 2001 by the South Coast Air Quality Management District.  
(Comr Lynch - ALJ Gottstein)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=116811](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=116811)
- CA-5**  
**297**      **Res L-298**  
This resolution authorizes disclosure of the investigative report by Consumer Services Division (Utilities Safety Branch) concerning Incident No. EIR20001204-01.  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117057](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117057)
- CA-6**  
**314**      **A01-07-006 - Pacific Gas and Electric Company (PG&E), and City and County of San Francisco (City).**  
For an order authorizing the former to sell and to convey to the latter a certain parcel of land in the City and County of San Francisco Pursuant to Public Utilities Code Section 851. This decision authorizes the sale of 4.09 acres land by PG&E to the City . Ratemaking treatment requested deferred to another proceeding. This proceeding is closed.  
(Comr Lynch - ALJ Evans)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117334](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117334)
- CA-7**  
**305**      **A01-07-014 - Cañada Woods Water Company.**  
For a certificate of public convenience and necessity to operate a Public Utility Water Service, Sewer Service, and Wastewater Reclamation Service in Monterey; to acquire from and operate the facilities of Monterra Ranch Mutual Water Company and Cañada Woods Treatment Company; and to establish rates for Public Utility Water Service, Sewer Service and Reclaimed Water Service. These companies now serve 62 customers and a golf course near Carmel Valley in Monterey County. Development plans call for the number of customers to increase to 365 by the year 2010. The Water Branch of the Office of Ratepayer Advocates investigated the application and issued a report on January 4, 2002, generally supporting formation of the new utility operation. The application is approved, subject to the conditions set forth in the ordering paragraphs. This proceeding is closed.  
(Comr Duque - ALJ Walker)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117272](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117272)
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- CA-8**  
**344**      **R95-04-043 - California Public Utilities Commission**  
Order Instituting Rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 – Related matter. This decision grants the motion of Roseville Telephone Company for an order requiring all competitive local carriers to provide security for the risk of underpayment of prices for unbundled network elements.  
(Comr Peevey - ALJ Pulsifer)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117477](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117477)
- CA-9**  
**367**      **R00-02-004 - California Public Utilities Commission**  
Order Instituting Rulemaking on the Commission's own motion to establish consumer rights and consumer protection rules applicable to all telecommunications utilities. This decision awards \$17,609.85 to The Utility Reform Network in compensation for contributions to D01-07-030. That decision adopted interim rules governing the inclusion of non-communications charges in telephone bills.  
(Comr Wood - ALJ Walker)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117816](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117816)
- CA-10**  
**368**      **R00-02-004 - California Public Utilities Commission**  
Order Instituting Rulemaking on the Commission's own motion to establish consumer rights and consumer protection rules applicable to all telecommunications utilities. This decision awards \$13,642.24 to the California Small Business Roundtable in compensation for contributions to D01-07-030. That decision adopted interim rules governing the inclusion of non-communications charges in telephone bills.  
(Comr Wood - ALJ Walker)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117752](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117752)
- CA-11**  
**369**      **A01-10-006 - Alameda County Transportation Authority (ACTA).**  
This decision grants the request of the ACTA to reconstruct the separated grade crossing between the Route 238 (Mission Blvd.) widening and the tracks of the Union Pacific Railroad Company sometimes referred to as the "South Niles Underpass." This proceeding is closed.  
(Exam Clark)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=113899](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=113899)
- CA-12**  
**370**      **A01-10-007 - Alameda County Transportation Authority (ACTA).**  
This decision grants the request of the ACTA to reconstruct the separated grade crossing between the Route 238 (Mission Blvd.) widening and the tracks of the Pacific Locomotive Association sometimes referred to as the "North Niles Underpass." This proceeding is closed.  
(Exam Clark)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=113908](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=113908)
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- CA-13 372**      **A01-10-037 - Plumas-Sierra Rural Electric Cooperative (PSREC).**  
This decision grants PSREC's request to amend its certificate of public convenience and necessity to alter and extend its service territory. This proceeding is closed.  
(Comr Wood - ALJ DeBerry)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117899](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117899)
- CA-14 377**      **(ECP) C00-12-043 - Don K. Lawrence (Complainant) vs. AirTouch Cellular dba Verizon Wireless.**  
This decision dismisses Complainant's case for failure to appear at the hearing. This proceeding is closed.  
(Comr Wood - ALJ Barnett)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=89451](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=89451)
- CA-15 381**      **R95-04-043 - California Public Utilities Commission**  
Order instituting Rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matters. This decision awards \$17,340.33 in intervenor compensation to The Utility Reform Network for its substantial contributions to D01-09-063 relating to recovery of local competition implementation costs for Verizon California, Inc.  
(Comr Brown - ALJ Pulsifer)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=116662](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=116662)
- CA-16 352**      **A01-11-033 - Southern California Edison Company (Edison).**  
This decision grants Edison's application for an order approving its proposed settlement agreement with NP Cogen, Inc. and provides for the recovery of payments made under the settlement agreement. This proceeding is closed.  
(Comr Brown - ALJ DeBerry)  
(Agenda 3084, Item CA-34 3/21/2002)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117820](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117820)
- CA-17 (Rev.) 308**      **R00-05-001 - Order Instituting Rulemaking into implementation of Senate Bill 669, regarding The Deaf and Disabled Telecommunications Program.**  
This decision grants the California Association of the Deaf an award of \$28,032.52 in compensation for contributions to D01-07-023, as modified by D02-01-018. This proceeding is closed.  
(Comr Duque - ALJ Walker)  
(Agenda 3084, Item CA-17 3/21/2002)  
04/03/2002 - This item appeared as (H-10) on the agenda distributed to the public.  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118952](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118952)
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## Regular Agenda

### Utility and Transportation Orders

#### Orders Held Over

**H-1                    A00-01-023 - Pacific Bell Telephone Company (Pacific).**

**237**                    Pacific seeks formal authorization to transfer assets and lease space to SBC Advanced Solutions, Inc. (ASI). The transfer enables ASI to provide broadband and other advanced services that previously were provided by Pacific. This proceeding has been stayed three times, at Pacific's request, while Pacific considered whether to proceed with the transfer. This decision concludes that the record developed in three days of hearings in December 2000 has become stale, and that a Circuit Court decision in January 2001 has changed the ground rules under which ASI operates. Accordingly, this decision dismisses the application and directs Pacific to refile its application to take account of the changed circumstances that now prevail.

(Comr Wood - ALJ Walker)

*Pub. Util. Code § 311 – This item was mailed for Public Comment*

(Agenda 3084, Item 2 3/21/2002)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118919](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118919)

**H-2                    A00-11-038 - Southern California Edison Company (Edison).**

**128**                    For authority to institute a rate stabilization plan with a rate increase and end of rate freeze tariffs A00-11-056, A00-10-028 - Related matters. This decision establishes cost-of-service revenue requirements for the utility retained generation (URG) of Pacific Gas and Electric Company (PG&E), Edison and San Diego Gas & Electric Company (SDG&E). URG reflects the utility-incurred costs associated with utility-owned generation assets and purchased power. This decision adopts a January 2002 to December 2002 URG revenue requirement of \$2.875 billion for PG&E, \$3.794 billion for Edison, and \$465.860 million for SDG&E. This decision authorizes recovery of actual and reasonably incurred costs and adopts balancing accounts for PG&E, Edison, and SDG&E to ensure that these costs will be recovered. This decision addresses issues relating to Independent System Operator costs contained in the Assigned Commissioner's Ruling issued on March 4, 2002.

(Comr Lynch - ALJ DeUllola)

*Pub. Util. Code § 311 – This item was mailed for Public Comment*

(Agenda 3081, Item 2 2/7/2002; Agenda 3084, Item H-1 3/21/2002)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118929](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118929)

**H-2a                    ALTERNATE TO ITEM 128**

**129**                    These alternate pages reflect a few minor changes to the Administrative Law Judge's proposed decision. The only substantive change is that the alternate does not reduce Southern California Edison Company's return on equity as is proposed in the Administrative Law Judge's decision.

(Comr Lynch)

(Agenda 3081, Item 2a 2/7/2002; Agenda 3084, Item H-1a 3/21/2002)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=114505](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=114505)

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- H-2b**  
**224**      **ALTERNATE TO ITEM 128**  
This alternate proposed decision establishes revenue requirements for the utility retained generation (URG) of Pacific Gas and Electric Company (PG&E), Southern California Edison Company, and San Diego Gas & Electric Company. This decision adopts Edison's authorized return on equity, retains the Incremental Cost Incentive Plan for the San Onofre Nuclear Generating Station, clarifies the discussion regarding the timing difference between revenues received and taxes paid, and eliminates the Native Load and the Revenue Shortfall Balancing Accounts.  
(Comr Duque)  
(Agenda 3082, Item H-4b 2/21/2002; Agenda 3084, Item H-1b 3/21/2002)
- H-3 (Rev.)**  
**265**      **A01-04-023 - Verizon California Inc. (Verizon)**  
This decision denies Verizon's application for exemption from Public Utilities Code Sections 816-830, but exempts Verizon from the Competitive Bidding Rules for Sections 816-830 debt issues with principal amounts greater than \$200 million and for variable rate debt securities and negotiated financing transactions. The decision also permits Verizon to submit reports required by General Order 24-B quarterly. This proceeding is closed.  
(Comr Brown - ALJ Grau)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
(Agenda 3083, Item 2 3/6/2002; Agenda 3084, Item H-2 3/21/2002)  
03/27/2002 - This revision was not shown on the Agenda mailed to the public.  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118635](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118635)
- H-4**  
**160**      **A01-07-036 - Southern California Edison Company (SCE).**  
SCE seeks authority to lease to Power Storage Industry, II, LLC (Power Storage) a 5.7-acre site located on a portion of SCE's Walnut 220/12-kilovolt (kV) substation in the City of Industry. Power Storage would develop a self-storage facility on the site, a use that SCE states will not interfere with its utility operations. The application is unopposed. The Commission grants the application but, based on our new procedure for applications like this one, the Commission requires SCE within 120 days to submit documents attesting to the appropriate environmental review of the project. This proceeding is closed.  
(Comr Duque - ALJ Walker)  
(Agenda 3082, Item H-8 2/21/2002)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=119002](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=119002)
- H-4a**  
**161**      **ALTERNATE TO ITEM 160**  
Southern California Edison Company (SCE) seeks authority to lease to Power Storage Industry II, LLC (Power Storage) a 5.7-acre site located on a portion of SCE's Walnut 220/12-kilovolt (kV) substation in the City of Industry. Power Storage would develop a self-storage facility on the site, a use that SCE states will no interfere with its utility operations. The application is unopposed. The Commission denies the application, without prejudice. This proceeding is closed.  
(Comr Wood)  
(Agenda 3082, Item H-8a 2/21/2002)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=119137](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=119137)
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- H-5 (Rev.)**  
**105**      **A01-08-012 - Southwest Gas Corporation (Southwest).**  
This decision grants Southwest the authority to issue one or more types of debt securities in the principal amount of up to \$550,000,000; refinance previously issued short-term debt securities; and enter into one or more interest rate risk management contracts. This proceeding is closed. (Agenda 3074, Item 7, 10/25/01; Agenda 3080, Item H-9, 1/23/02)  
(Exam Clanon)  
(Agenda 3080, Item H-9 1/23/2002)  
04/03/2002 - This revision was not shown on the Agenda mailed to the public.  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=104933](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=104933)
- H-6**  
**233**      **A97-12-020 - Pacific Gas and Electric Company (PG&E).**  
For authority, among other things, to increase rates and charges for electric and gas service effective on January 1, 1999. I97-11-026, A94-12-005, I95-02-015 - Related matters. On January 17, 2002, PG&E filed a motion requesting that the Commission issue an interim decision to ensure that if, at a later date, the Commission approves an attrition rate adjustment (ARA) for 2002, such adjustment may be made effective as of the date of the requested interim decision. PG&E's motion also requests that the Commission specify the process for addressing the substantive question of how much, if any, attrition relief PG&E should receive for 2002. This decision grants PG&E's motion. PG&E's rates and authorized revenue requirements are not directly affected by this decision. They would only be affected if, at a later date, the Commission approves an ARA for 2002.  
(Comr Wood - ALJ Wetzell)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
(Agenda 3084, Item 8 3/21/2002)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118482](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118482)
- H-6a**  
**385**      **ALTERNATE TO ITEM 233**  
This alternate decision approves with modification Pacific Gas and Electric Company's request to have any subsequent attrition increase adopted for 2002 to become effective on a date prior to the date of the adoption of the increase.  
(Comr Lynch)  
(Agenda 3084, Item 8a 3/21/2002)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118663](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118663)
- H-7**  
**101**      **I\_\_\_\_\_ - California Public Utilities Commission**  
Order Instituting Investigation on the Commission's own motion into the practices of and rate of return earned by Valencia Water Company (Valencia). By this order the Commission institutes an investigation into the operations and practices of Valencia to determine whether it has and will earn a rate of return in excess of that authorized by D94-12-020 and to establish the appropriate revenue requirement. This order also establishes a memorandum account in which all revenues in excess of those authorized by the 9.40% rate of return shall be placed, and requires Valencia to file a Notice of Intent to file its General Rate Case within 60 days of the service of this Order.  
(Agenda 3080, Item H-5 1/23/2002; Agenda 3081, Item H-3 2/7/2002)
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**H-8 (Rev.)**      **I00-05-020**  
**390**              Order Instituting Investigation into the status, rates, rules, operations, service, facilities, equipment, contracts and practices of the Union Pacific Railroad Company in the supply, distribution, and sale of water by the Keene Water System to the communities of Keene and Woodford in Kern County. This decision addresses the issue of whether the Keene Water System operated by Union Pacific Railroad Company has been dedicated to public use for the benefit of the communities of Keene and Woodford in Kern County. The decision finds that dedication has occurred and that the Keene Water System is a public utility system subject to Commission jurisdiction pursuant to Public Utilities Code Section 2701. This proceeding is closed.  
 (Agenda 3080, Item 1, 1/23/2002; Agenda 3084, Item H-5, 3/21/2002.)

(Comr Wood - ALJ DeUlloa)

*Pub. Util. Code § 311 – This item was mailed for Public Comment*

03/27/2002 - This revision was not shown on the Agenda mailed to the public.

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=119007](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=119007)

**H-8a**              **ALTERNATE TO ITEM 390**  
**391**              This alternate addresses the issue of whether the Keene Water System operated by Union Pacific Railroad Company has been dedicated to public use for the benefit of the communities of Keene and Woodford in Kern County. The decision finds that dedication has occurred and that the Keene Water System is a public utility system subject to Commission jurisdiction pursuant to Public Utilities Code Section 2701. The determination of rates shall be addressed in a subsequent decision in this proceeding. (Agenda 3084, Item H-5a, 3/21/02)  
 (Comr Wood)

**H-9**              **I01-12-010 - Order Instituting Investigation into the actions of Pacific Gas and Electric Company (PG&E), and its officers and employees for non-compliance with a Commission Decision.**  
**102**              This decision addresses PG&E's uncontested proposal for resolving the issues arising from D01-10-059 and the Commission's order instituting the investigation and related Order to Show Cause. PG&E shall pay a penalty and shall tender a Notice of Intent for a test year 2003 general rate case as set forth in the decision. This proceeding is closed.  
 (Agenda 3079, Item 10, 1/9/02)  
 (Comr Brown - ALJ Wetzell)  
 (Agenda 3080, Item H-6 1/23/2002; Agenda 3084, Item H-6 3/21/2002)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118995](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118995)

**H-10 (Rev.)**      04/03/2002 - Moved to item (CA-17) on the agenda.  
**308**

**H-11 (Rev.) 236 R01-05-047 - Order instituting rulemaking on the Commission's own motion to determine whether baseline allowances for residential usage of gas and electricity should be revised.**

This decision increases baseline allowances for certain residential customers and begins the process of improving the medical baseline program.

(Comr Brown)

*Pub. Util. Code § 311 – This item was mailed for Public Comment*

(Agenda 3084, Item 1 3/21/2002)

04/03/2002 - This revision was not shown on the Agenda mailed to the public.

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118264](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118264)

**Orders**

**1 299 A01-02-024 - AT&T Communications of California, Inc., WorldCom, Inc., and The Telephone Connection Local Services.**

Joint application for the Commission to reexamine the recurring costs and prices of unbundled switching in its first annual review of unbundled network element costs pursuant to Ordering Paragraph 11 of D99-11-050. A01-02-035, A01-02-034 – Related matters. This interim order in the Commission's 2001. Unbundled Network Element (UNE) Reexamination proceedings sets interim rates for two of Pacific Bell's UNEs, namely loops and switching. For unbundled loops, the Commission adopts an interim discount of 26.8% from Pacific's current loop price of \$11.70. For unbundled switching, the Commission adopts an interim discount of 22.5% for the port, 24.6% for usage rates, and 13.8% for tandem switching. These interim rates are subject to adjustment once final rates are adopted. This proceeding shall remain open to set final rates for these UNEs.

(Comr Wood - ALJ Duda)

*Pub. Util. Code § 311 – This item was mailed for Public Comment*

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117008](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117008)

**2 345 R01-08-002 - California Public Utilities Commission**

Order Instituting Rulemaking into implementation of Senate Bill 669, as it affects California High-Cost Fund A; California High-Cost Fund B; Universal Lifeline Telephone Service Trust; Payphone Service Providers Enforcement; Telecommunications Devices for the Deaf Interim Placement Committee; Public Policy Payphone Program; and California Teleconnect Fund. This decision resolves advisory board issues deferred by D01-09-064, by establishing, pursuant to Pub. Util. Code § 271(a), the criteria (both number of members and membership qualifications) for each of the boards going forward; merging the Universal Lifeline Telephone Service Trust Marketing Board with the Universal Lifeline Telephone Service Trust Administrative Committee; amending the advisory board charters; and directing the Executive Director to establish a process and timeline for soliciting nominations for appointment to each of the boards. This decision also resolves outstanding issues concerning the establishment of program budget reserves and a schedule for audits required by Pub. Util. Code § 274 and it adopts a uniform interest rate to apply to the late payment of reimbursement and carrier claims. This proceeding is closed.

(Comr Duque - ALJ Veith)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117097](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117097)

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- 3**  
**298**      **A97-10-081 - San Diego Gas & Electric Company (SDG&E).**  
For an ex parte order approving the settlement agreements between SDG& E and certain winning bidders in SDG&E's biennial resource plan update auction. This decision terminates San Diego Gas & Electric Company's 1993 Biennial Resource Plan Update Solicitation. This proceeding is closed.  
(Comr Duque - ALJ Econome)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117148](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117148)
- 4**  
**317**      **A01-01-021 - Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E).**  
SoCalGas and SDG&E are authorized to consolidate their gas supply portfolios and management of gas acquisition; to review rules for noncore customers to procure gas; to permit core-customers of wholesale customer to obtain gas on the same terms as core customers of the utilities; provide that reacquired El Paso capacity will be assigned to the consolidated gas supply portfolio; and permit the consolidated management to provide tolling service to SDG&E. This proceeding is closed.  
(Comr Duque - ALJ Barnett)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117365](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117365)
- 5**  
**318**      **A01-08-038 - FirstWorld Orange Coast (Applicant).**  
For authority to transfer customers and terminate local and interexchange services. This decision finds that the Applicant sent misleading notices to its customers that led them to believe that service would be automatically terminated after a specified date. As a result, the Commission finds that it effectively withdrew from service without authorization in violation of General Order 96-A Section XIV, Pub. Util. Code § 702. This decision approves Applicant's request to withdraw from providing service, and requires reparations to customers. This proceeding is closed.  
(Comr Wood - ALJ O'Donnell)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117360](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117360)
- 6**  
**319**      **A01-05-022 - FirstWorld Anaheim (Applicant)**  
This decision finds that the Applicant effectively withdrew from providing local exchange service to its customers, without prior Commission authorization, through the use of false and misleading notices and unauthorized service interruptions, in violation of General Order 96-A, Section XIV, Public Utilities Code Section 702, and its tariffs. This decision approves Applicant's request to withdraw from providing service, impose an \$18,000 fine, and require reparations to customers. This proceeding is closed.  
(Comr Wood - ALJ O'Donnell)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117357](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117357)
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**7                    A01-05-023 - FirstWorld SoCal (Applicant).**

**320**                This decision grants the Applicant's request to withdraw from service. The Applicant is fined \$24,000, and ordered to make restitution to its customers because it effectively withdrew from service without prior Commission authorization through the use of false and misleading notices. The applicant also interrupted service to three of its customers in violation of its tariffs. This proceeding is closed. (Comr Wood - ALJ O'Donnell)

*Pub. Util. Code § 311 – This item was mailed for Public Comment*

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=117377](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=117377)

**8                    A99-04-011 - VarTec Telecom, inc. (Applicant).**

**382**                This decision grants Applicant a certificate of public convenience and necessity to provide limited facilities-based and resold local exchange telecommunications service. In addition, the Commission adopts a settlement between the Commission's Consumer Services Division and Applicant. Pursuant to the settlement, Applicant admits that it (1) sold U.S. Republic Communications, Inc. (USRC) without prior Commission authorization, (2) failed to provide USRC customers with notice of the sale of USRC, (3) purchased Choctaw Communications, Inc. d/b/a Smoke Signal Communications (Choctaw) without prior Commission authorization, and (4) sold Choctaw to Reconex Acquisition Corporation without prior Commission authorization. Applicant will pay a fine of \$80,000 for the violations, and restitution of \$25 to each of 101 former USRC long distance customers who alleged unauthorized long distance charges. This proceeding is closed. (Comr Wood - ALJ O'Donnell)

*Pub. Util. Code § 311 – This item was mailed for Public Comment*

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118707](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118707)

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- 9**  
**366**      **R00-10-002 - California Public Utilities Commission**
- Order Instituting Rulemaking into the operation of interruptible load programs offered by Pacific Gas and Electric Company, San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) and the effect of these programs on energy prices, other demand responsiveness programs, and the reliability of the electric system. The decision directs respondent utilities to file advice letters and tariffs within five days that implement the orders herein. Interruptible Programs: It extends interruptible programs, and reduces authorized limits and annual expenditures by half. It ends the bill limiter for SCE. It grants the petition for modification of D01-04-006 by California Industrial Users. It rejects SDG&E's Advice Letter 1320-E. It adopts a two-year pilot test of California Energy Commission's proposed modified Base Interruptible Program. It denies SCE's petition for modification of D01-04-006. It denies the petition for modification of D01-06-087 by the California Manufacturers and Technology Association. Curtailment Priorities: It provides essential customer status to skilled nursing facilities. It orders a test of Category H procedures. Extreme Temperature: It adopts a plan for education regarding prevention of adverse health effects resulting from extreme temperatures, notification to temperature sensitive customers before a rotating outage, and use of cooling and heating stations. Memorandum Account Balances: It directs collection of memorandum account balances, with a limited reconciliation option. It denies the petition for modification of D01-04-006 by California Steel Industries, Inc., but provides limited relief for customers affected by the timing of D01-04-006 and D01-05-090. The proceeding remains open for one pending petition for modification.
- (Comr Wood - ALJ Mattson)
- [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=116266](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=116266)
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- 10**  
**383**      **A01-10-026 - VarTec Telecom, Inc. (VarTec), VarTec Telecom Holding Company (VarTec Holding), Teleglobe Holdings Corporation (Teleglobe Holdings), Excel Telecommunications, Inc. (Excel), eMeritus Communications, Inc. (eMeritus), and Long Distance Wholesale Club, Inc. (LDWC) (jointly Applicants).**
- VarTec and VarTec Holding seek authorization under § 854 of a Stock Purchase Agreement through which VarTec will acquire control of Excel, eMeritus, and DW. The Application is granted. This proceeding is closed.
- (Comr Lynch - ALJ Duda)
- [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=118710](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=118710)
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**Utilities Resolutions and Written Reports****Energy Matters****E-1                    Res G-3333 - Southern California Gas Company (SoCalGas).**

**351**                    This resolution submits tariff revisions related to its Core Aggregation Transportation program, in compliance with D01-12-018. SoCalGas' Advice Letter (AL) 3105 is approved, with changes to the tariff rates made effective on May 1, 2002.

**E-2                    Res E-3613 - San Diego Gas & Electric Company (SDG&E).**

**80**                    This resolution approves SDG&E's request to charge a Scheduling Agent Fee to Monsanto Company for services regarding Monsanto's power flow to the Power Exchange and the Independent System Operator.

*Pub. Util. Code § 311 – This item was mailed for Public Comment*

(Agenda 3080, Item E-1 1/23/2002; Agenda 3081, Item E-4 2/7/2002)

**E-3                    E-3769 - San Diego Gas & Electric Company**

**343**                    This resolution addresses the requirements of SDG&E, Pacific Gas and Electric Company, and Southern California Edison Company to submit payments to the California Energy Commission for renewable resource funding by March 31, 2002, pursuant to Public Utilities Code Sections 381(c)(3), and (d).

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**Legislative Matters****Items**

- LEG-1**            **AB 1350 (Canciamilla)**  
(Rev.)            Request for Commission position.  
**400**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-2**            **AB 1934 (Corbett)**  
(Rev.)            Request for Commission position.  
**401**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-3**            **AB 2259 (Kehoe)**  
(Rev.)            Request for Commission position.  
**396**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-4**            **AB 2490 (Canciamilla)**  
(Rev.)            Request for Commission position.  
**388**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-5**            **AB 2663 (Wyman)**  
(Rev.)            Request for Commission position.  
**389**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-6**            **AB 2945 (Wright)**  
(Rev.)            Request for Commission position.  
**393**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-7**            04/03/2002 - This Item was removed from the agenda.  
(Rev.)  
**395**
- LEG-8**            **SB 230 (Polanco)**  
(Rev.)            Request for Commission position.  
**402**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-9**            **SB 500 (Torlakson)**  
(Rev.)            Request for Commission position.  
**397**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-10**           **SB 530 (Sher)**  
(Rev.)            Request for Commission position.  
**399**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-11**           **AB 2121 (Kehoe)**  
(Rev.)            Request for Commission position.  
**387**            04/03/2002 - This revision was not shown on the Agenda mailed to the public.
- LEG-12**           **AB 2754 (Nation)**  
**386**            Request for Commission position.
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<b>LEG-13</b>	<b>SB 1941 (Morrow)</b>
<b>(Rev.)</b>	Request for Commission position.
<b>398</b>	<u>04/03/2002 - This revision was not shown on the Agenda mailed to the public.</u>



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**Commissioner's Reports**

**CR-1 (Rev.)** Miscellaneous Commissioner's Report

**413** 03/25/2002 - This item was not listed on the agenda distributed to the public.

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**Management Reports**

**M-1 (Rev.)** Miscellaneous Management Reports

**414** 03/25/2002 - This item was not listed on the agenda distributed to the public.

## Closed Session

*This notice is furnished under Government Code Sections 11125 and 11126.3. At any time during the meeting, the Commission may meet in Closed Session to consider any or all of the items listed below. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the disclosures required by Government Code Sections 11125.2 and 11126.3(f).*

### Non-Federal Items

#### Orders Held Over

- HEX-1 (Rev.) 288**      **A99-12-025 - Conference with Legal Counsel – Applications for Rehearing**  
Disposition of applications for rehearing of D01-11-048 filed by the County of Ventura on December 17, 2001 and by Sierra Club, et al. on December 31, 2001. The decision approved Valencia Water Company's 1999 Water Management Program and Advice Letters 88 and 90 requesting permission to expand its service area.  
*Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session*  
(Agenda 3083, Item EX-5 3/6/2002; Agenda 3084, Item HEX-2 3/21/2002)  
03/26/2002 - This revision was not shown on the Agenda mailed to the public.
- HEX-2 197**      **C00-08-053 - Conference with Legal Counsel – Application for Rehearing**  
Disposition of the application for rehearing of D01-08-067 filed by the Pacific Bell Telephone Company on September 28, 2001.  
*Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session*  
(Agenda 3081, Item EX-5 2/7/2002; Agenda 3083, Item HEX-2 3/6/2002)
- HEX-3 214**      **Conference with Legal Counsel - Existing Litigation.**  
Hunt v. CPUC, Case No. 310671 (San Francisco Superior Court).  
(Gov. Code Section 11126(e)(2)(A).)  
(Agenda 3082, Item EX-6 2/21/2002; Agenda 3084, Item HEX-3 3/21/2002)
- HEX-4 333**      **R01-08-028 - Conference with Legal Counsel – Application for Rehearing.**  
Disposition of applications for rehearing by Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company of D01-11-066, regarding the adoption of energy efficiency policy rules.  
*Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session*  
(Agenda 3084, Item EX-8 3/21/2002)

#### Orders

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- EX-1**  
**362**      **Conference with Legal Counsel – Applications for Rehearing**  
Compilation of applications for rehearing recently filed with the Commission.  
*Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session*
- EX-2**  
**363**      **Conference with Legal Counsel – Threatened Litigation**  
Significant exposure to litigation.  
*Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session*
- EX-3**  
**364**      **Conference with Legal Counsel – Initiation of Litigation**  
Consideration of possible Commission initiation of, or intervention in, litigation.  
*Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session*
- EX-4 (Rev.)**      **Personnel Matters**  
**365**      Consideration of appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee.  
*Gov. Code § 11126(a), allows this item to be considered in Closed Session*  
03/27/2002 - This revision was not shown on the Agenda mailed to the public.
- EX-5**  
**361**      **I99-07-003 - Conference with Legal Counsel – Applications for Rehearing**  
Disposition of Application for Rehearing of D01-12-018 filed by the Southern California Generation Coalition, The Utility Reform Network and the Department of General Services. The decision adopted the Comprehensive Gas Settlement for the market and regulatory framework for Southern California Gas Company and San Diego Gas & Electric Company.  
*Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session*
- EX-6**  
**406**      **Conference with Legal Counsel - Existing Litigation**  
First Appellate District, A098039 - Pacific Bell Telephone Company vs. California Public Utilities Commission.  
*Gov. Code § 11126(e)(2)(B), allows this item to be considered in Closed Session*
- EX-7 (Rev.)**      **Conference with Legal Counsel - Initiation of Enforcement Proceeding**  
**412**      Deliberation on institution of proceeding or disciplinary actions against person or entities subject to Commission's jurisdiction. (Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced and disclosure could also jeopardize the ability to effect personal service on the Respondent.)  
*Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session*  
03/27/2002 - This revision was not shown on the Agenda mailed to the public.
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**Federal Items**

***Items***

**FEX-1                      Conference with Legal Counsel - Initiation of Litigation**

**408**                      Consideration of possible Commission initiation of, or intervention in, federal agency or court proceedings.

*Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session*

**FEX-2                      Conference with Legal Counsel – Existing Litigation**

**405**                      Pacific Gas and Electric Company (Debtor), United States Bankruptcy Court, Northern District of California, San Francisco Division, Case No. 01 30923 DM.

*(Gov. Code Section 11126(e)(2)(A).)*

*Gov. Code § 11126(a), allows this item to be considered in Closed Session*